Average Weekly Earnings

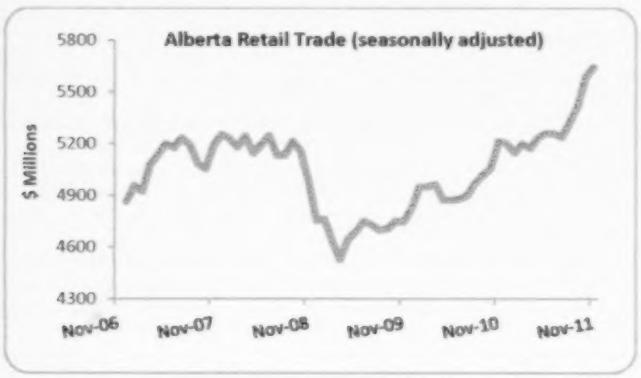
Earnings supported by strong labour market...

Albertans watched their earnings reach new heights in November. Average weekly earnings advanced 0.3% to a record $1,053 in November, led by gains in mining, oil & gas extraction, utilities, as well as finance & insurance, real estate and administrative & support services. On a year over year basis, a strengthening of Alberta's labour market contributed to a solid 5% increase in weekly earnings, more than double the national increase. Year-to-date, Alberta posted the second highest earnings gain (4.7%) among all provinces, behind only Newfoundland. Alberta weekly earnings now exceed the average Canadian level by 19% and continue to rise at a faster annual rate than inflation.

Retail Trade

Alberta rings through a record month at the tills...

Retailers are benefiting from Alberta's solid earnings growth. Alberta retail sales hit a new record level of $5.6 billion in November, a 1.0% gain over October and up a stunning 8.3% compared to November 2010. This represents the fifth straight month that Alberta retail sales grew at a faster month-over-month rate than the national average. In the 12 months ending November, growth in retail sales was led by spending at gasoline stations, on new motor vehicles, and on electronics and appliances. With 11 months tallied, year-to-date retail sales in Alberta were up 7% over the same period in 2010, the second strongest increase among the provinces.



Wholesale Trade

Wholesale trade edges down...

After six months of solid growth, Alberta wholesale trade took a breather in November. The value of wholesale trade dipped 0.7% to $6.4 billion in November on the heels of a 4.5% jump in October. However, wholesale trade was still up sharply (+ 15.0%) when compared to November 2010.

Canadian Dollar (US¢/C$)

January 27, 2012	99.87
January 20, 2012	98.59
2011-12 Fiscal YTD Average	100.84

+1.3%

WTI Oil US$/bbl*

January 27, 2012	$99.56
January 20, 2012	$98.46
2011-12 Fiscal YTD Average	$95.73

+1.1%

Nymex Natural Gas US$/MMBtu*

January 27, 2012	$2.68
January 20, 2012	$2.34
2011-12 Fiscal YTD Average	*$3.85*

+14.5%

**Based on the closing price of the near month contract*

Farm Product Price Index (FPPI)

Farm product prices stay well ahead of 2010 levels...

Farm product prices in Alberta continue to make strong year-over-year gains. The FPPI rose 8.5% in November from the same month in 2010, a deceleration from the 11.3% increase in the previous month. The 12-month gain was due to higher livestock prices, which more than fully offset declines in grains and field crops prices.

Canadian Economy

Leading indicator points to economic improvement...

Canada's composite leading indicator registered its sixth consecutive gain, rising by 0.8% in December. The improvement was broad-based with eight out of the ten components rising; only the stock market and retail sales of furniture posted declines.

US Economy

Fed announces rock-bottom rates through late 2014...

The US Federal Reserve Bank announced that it will keep its policy rate at exceptionally low levels through late-2014. The announcement extends the Fed's previously stated intention to keep rates low until mid-2013. With its outlook for inflation "subdued", the Fed believes that a prolonged period of unprecedented monetary stimulus is needed to restore US economic growth to normal levels.

Fourth quarter US real GDP advances...

Advance estimates show that the US economy grew 2.8% (annualized) in the 4th quarter of 2011, the fastest pace in one and a half years but slightly below market expectations. Improvements in inventories, consumption and housing outweighed a deceleration in non-residential investment and a decline in government spending. The fourth quarter gain brings annual growth in real GDP to a modest 1.7% for 2011.

Current Economic Indicators

Population	2009	2010	2011YTD*	July	Aug	Sep	Oct	Nov	Dec
Population [1] (000's) (level)	3,672	3,721	3,779	3,779	--	--	3,799	--	--
% change	2.2	1.3	1.6	1.6	--	--	1.7	--	--
Net Interprovincial Migraton [1] (level)	13,184	-2,183	13,660	4,720	--	--	3,136	--	--
Net International Migration [1] (level)	16,835	21,533	14,093	8,313	--	--	7,580	--	--
Net Non-permanent Residents [1] (level)	19,162	-77	-7,988	1,233	--	--	2,295	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,093.6	2,103	2,110	2,118	2,126	2,130	2,131
% change	-1.3	-0.4	3.8	3.8	4.2	4.8	4.3	4.8	4.9
Unemployment Rate (%)	6.6	6.5	5.5	5.5	5.6	5.4	5.1	5.0	4.9
Participation Rate (%)	74.3	72.9	73.7	73.9	74.1	74.2	74.1	74.1	74.0
Average Weekly Earnings ($) NEW!	950.01	993.13	1,037.94	1,026.42	1,044.26	1,050.15	1049.86	1052.53	--
% change	2.8	4.5	4.7	2.6	4.3	4.5	4.5	5.0	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.4	1.9	2.9	2.8	3.4	3.2	2.9
Excluding food and energy	1.4	0.8	0.8	0.4	0.8	1.4	1.1	1.5	1.2
Non-Res. Building Cons. Price Index [2]	-9.8	-0.1	3.2	3.3	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	16.2	18.5	11.4	13.6	11.3	8.5	--
Crops	-18.9	-14.5	16.7	29.4	9	9.5	2.8	2.5	--
Livestock NEW!	-2.8	5.7	16.9	13.8	15.4	14.6	18.3	18.5	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	25.5	25.5	31.1	24.4	33.0	29.9	28.3
% change	-31.6	33.5	-5.3	-13.6	34.1	-9.6	25.0	34.7	37.4
New Housing Price Index	-9.0	0.5	0.4	0.1	0.2	0.0	0.7	0.4	--
Edmonton	-11.2	-0.8	0.9	1.1	0.9	0.6	1.1	1.1	--
Calgary	-6.7	1.7	-0.1	-0.8	-0.5	-0.5	0.3	-0.2	--
MLS Average Resale Prices ($ 000's)	340.5	350.9	355.8	352.2	355.4	365.1	360.7	359.5	358.5
% change	-3.1	3.1	1.0	0.0	2.1	2.6	2.9	1.5	1.8
Edmonton	319.1	326.5	325.7	325.5	323.3	338.7	333.2	330.6	330.6
% change	-3.5	2.3	-0.9	0.6	-1.6	2.3	0.3	-1.4	0.7
Calgary	384.3	397.4	402.8	398.8	403.6	409.4	402.7	401.3	407.2
% change	-4.2	3.4	0.9	-1.1	3.1	0.2	1.5	-0.2	1.7
Retail Sales NEW!	-8.3	6.0	7.0	6.9	7.2	8.0	10.5	8.3	--
New Motor Vehicle Sales	-21.7	9.3	8.9	7.0	5.7	5.5	20.0	--	--
Consumer Bankruptcies	9,986	8,150	5,969	534	595	525	515	--	--
% change	64.6	-18.4	-14.3	-14.7	-3.3	-28.3	-26.4	--	--
Business Sector									
Rigs Drilling	128	207	285	240	323	346	335	330	338
% change	-45.6	61.3	37.9	20.8	45.4	95.5	28.7	19.4	25.8
Goods Exports (customs based)	-36.6	12.4	16.5	16.4	24.5	23.7	18.1	26.0	--
Energy	-40.2	17.2	17.6	19.2	25.2	22.2	21.9	28.0	--
Agriculture	-12.3	-14.4	10.1	8.4	7.4	29.5	23.0	19.3	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.4	15.0	--	--	--	--	--
Manufacturing Shipments	-23.7	11.0	17.9	16.8	18.8	22.8	15.8	23.0	--
Wholesale Trade	-15.9	10.8	14.7	15.9	14.2	12.5	17.1	15.0	--
Building Permits	-14.2	2.1	7.0	17.4	39.4	29.6	12.7	2.6	--
Residential	-11.8	24.7	1.6	9.5	29.0	33.3	21.4	26.5	--
Non-residential	-16.3	-19.0	14.7	30.3	53.0	24.6	1.2	-22.7	--
Business Bankruptcies	405	378	227	15	26	23	30	--	--
% change	-9.4	-6.7	-27.9	-44.4	-13.3	-32.4	25.0	--	--

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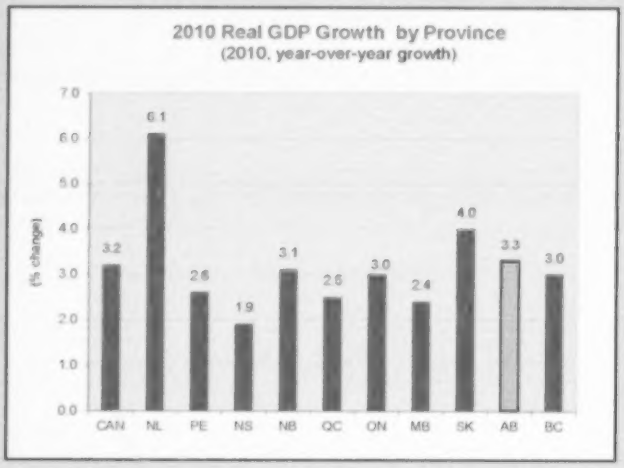
* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

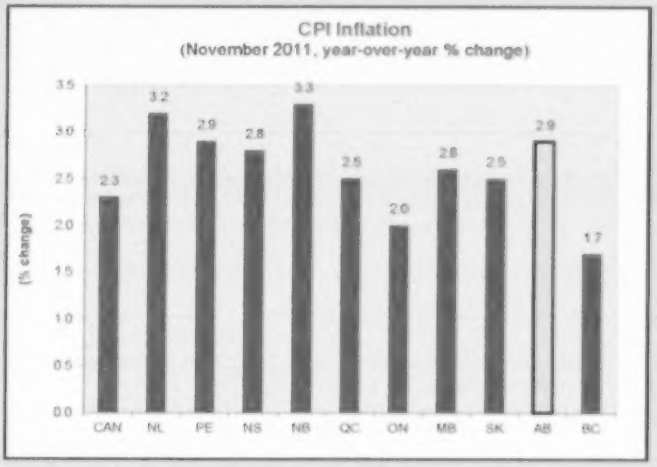
[1] Quarterly; annual numbers are presented on a census year basis (July 1–June 30).

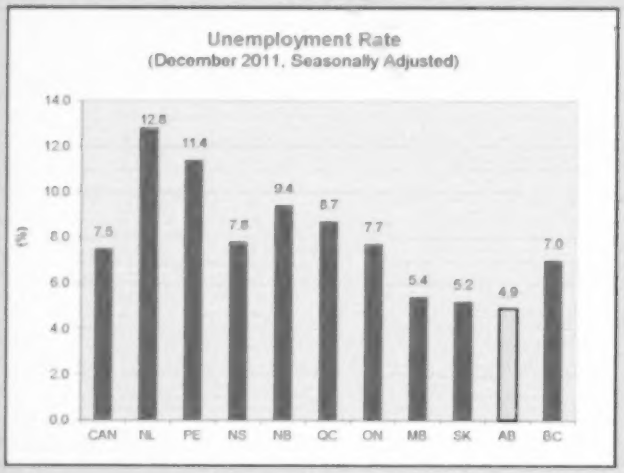
[2] Quarterly, average of Calgary and Edmonton

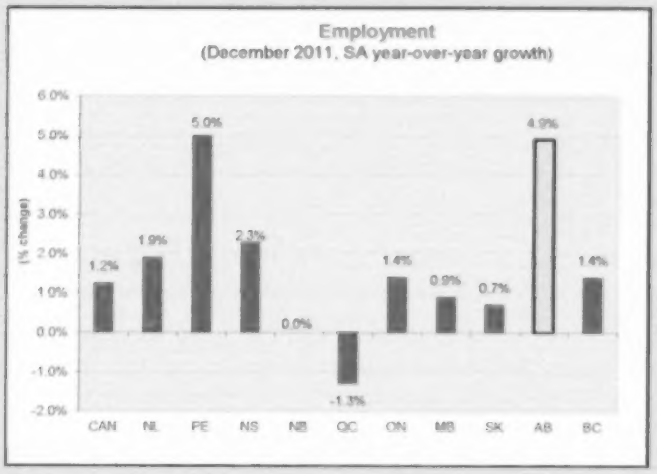
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

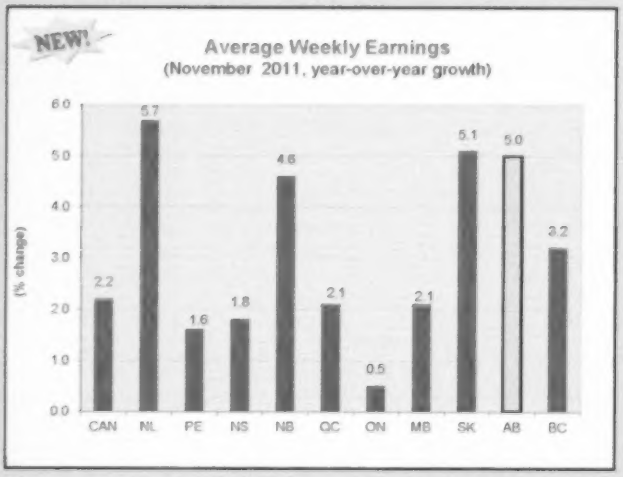
Current Economic Indicators by Province

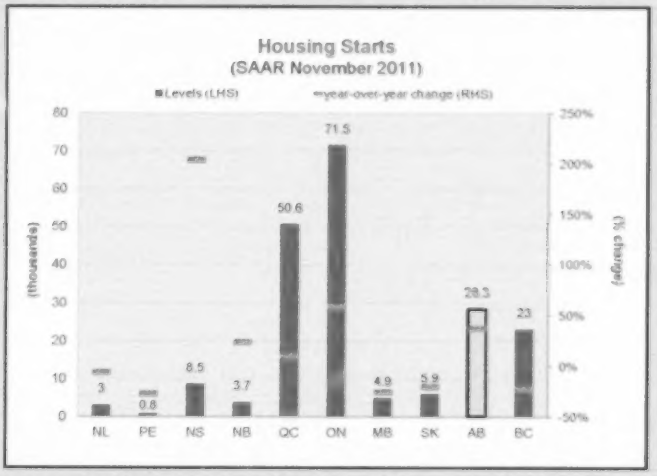












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